新日本製薬

Beyond innovation, for a beautiful smile!

Supplementary Material on Financial Results
for H1, FYE September 2025

May 13, 2025

Shinnihonseiyaku Co., Ltd.
Securities Code: 4931
Tokyo Stock Exchange Prime Market

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Highlights from Period Under Review

Revenue

Net sales: ¥20,282 million +3.2% YoY

- **General:** Shinnihonseiyaku's sales growth on track, sales slower than expected in group companies Flatcraft and PERFECT ONE US
- **Cosmetics:** On par with comparative period: Growth in *FOCUS* offset by slight decline in *PERFECT ONE*
- **Healthcare:** +26.4% growth, with *Fun and Health* driving the growth in both Q1 and Q2
- **Online sales:** Larger share of total revenue, building audience of middle-aged consumers

Profit, expenses

Operating profit: ¥2,533 million +22.0% YoY

- **Operating profit:** Growth driven by higher revenue from *Focus* and *Fun and Health*
- **Marketing investment:** Invested aggressively in brisk mail-order business for *FOCUS* and *Fun and Health*
  Withheld investment from overseas sales and *Wellness Food* to increase investment efficiency
- **Expenses:** Cost optimizations contributed to better profitability

Q2 highlights

- ***PERFECT ONE*** Targeted middle-aged consumers to achieve revenue turnaround in H2
- ***FOCUS*** Decent growth in H1, new products (e.g. facial mask) to accelerate growth in H2
- ***Fun and Health*** +43.0% growth with high repeat rate in *W Health Green Juice* and brisk sales of *Slimore Coffee*
- ***Wellness Food*** Developing e-commerce strategy to renew growth

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1. Financial Results

Financial Results: Summary

Net sales: Cosmetics at -0.6%, with *FOCUS* sales growth offsetting slight decline in *PERFECT ONE*
Healthcare as high as +26.4%, with strong sales in *W Health Green Juice* and more subscriptions to *Slimore Coffee*

Profit: Operating and ordinary profit greater than expected, with higher revenue and cost optimizations

Net profit: Less than expected because of impairment of goodwill in Flatcraft
(attributable to owners of parent)

Unit: Million yen

Indicator	Comparative period (H1 2024/9) actual	Period under review (H1 2025/9)		YoY change in actual		Actual vs. target
		Target	Actual	change	%	
Net sales	19,656	20,350	20,282	+626	+3.2%	-67
Cosmetics	16,932	17,280	16,838	-93	-0.6%	-441
Healthcare	2,723	3,070	3,443	+719	+26.4%	+373
Operating profit	2,076	2,110	2,533	+456	+22.0%	+423
Operating profit margin	10.6%	10.4%	12.5%	+1.9pt	—	+2.1pt
Ordinary profit	2,083	2,120	2,540	+456	+21.9%	+420
Net profit (attributable to owners of parent)	1,402	1,460	935	-466	-33.3%	-524

Financial Results: Additional Information

Sales by channel: Mail-order and online sales increased with online sales growth in Japan. Wholesale sales increased with a higher number of retailers for *PERFECT ONE*. Overseas revenue decreased following change in Asian strategy. Perfect One US made headway in growing sales.

Marketing: Exceeded spending target with aggressive investment in fledgling brands

Operating expenses: Costs further optimized. Percentage of mail deliveries increased with delivery process optimization

Unit: Million yen

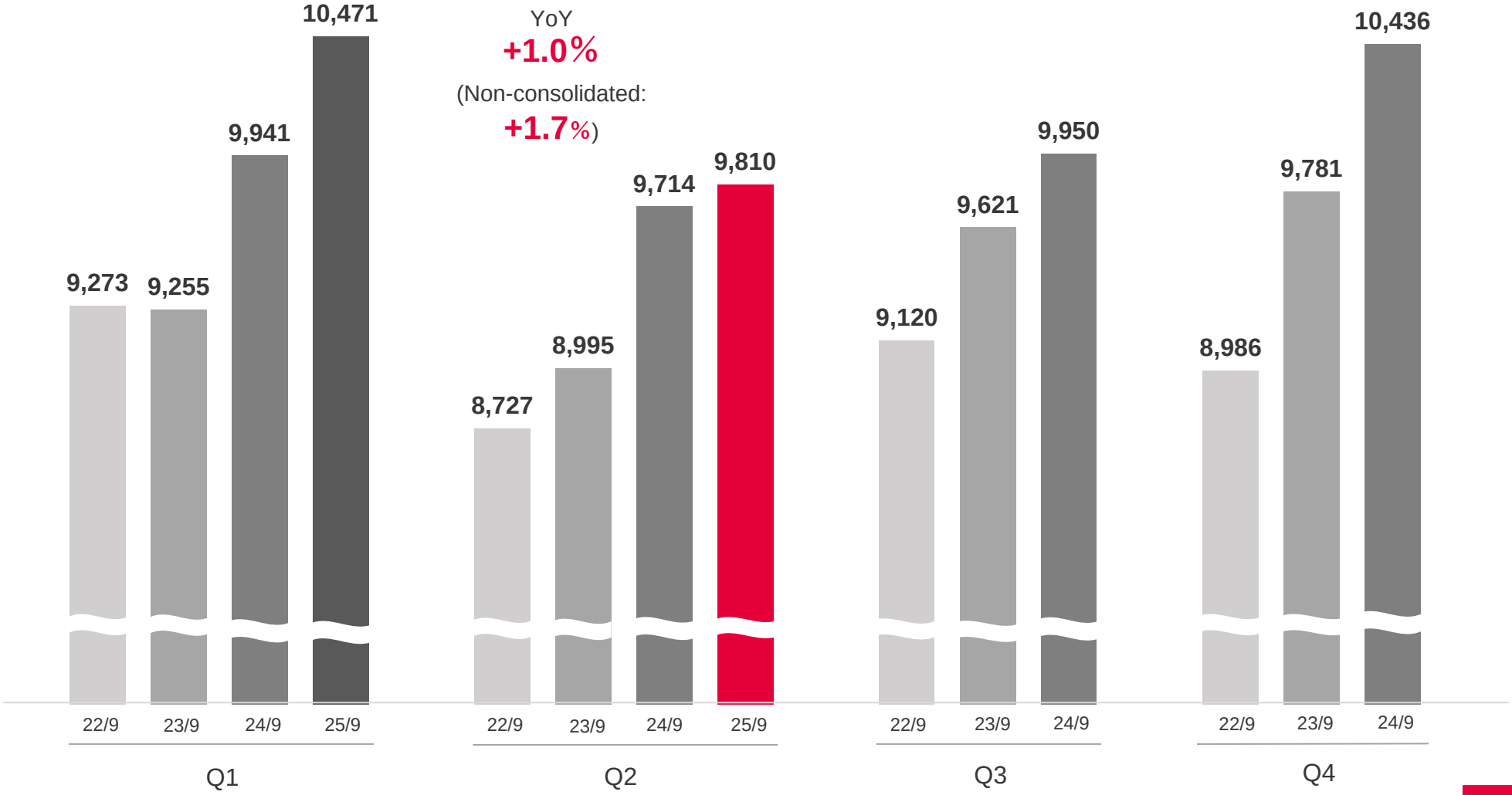
Indicator	Comparative period (H1 2024/9) actual	Period under review (H1 2025/9)		YoY change in actual		Actual vs. target
		Target	Actual	change	%	
Sales by channel						
Mail-order and online	17,763	18,150	18,457	+694	+3.9%	+307
Wholesale	1,816	2,260	1,929	+112	+6.2%	-330
Overseas	76	-60	-104	-181	—	-44
Global online sales[1)]						
Overseas and domestic EC sales	3,854	4,270	4,576	+722	+18.7%	+306
Marketing investment						
Advertising expenses	5,548	5,390	5,623	+74	+1.4%	+233
Sales promotion expenses	2,560	2,850	2,838	+277	+10.9%	-11
Operating expenses						
FF cost [2)]	2,076	2,130	2,001	-75	-3.6%	-128
Call center costs	1,149	1,230	1,123	-26	-2.3%	-106

1) Global online sales = Online sales in Japan (included in the “mail-order and online” category) + Online sales overseas (included in the “overseas” category)
2) FF cost = Order fulfilment costs

FYI: Quarterly Net Sales

On par with comparative period.
Fun and Health performed well. On a non-consolidated (Shinnihonseiyaku only) basis, it offset revenue decline in the Cosmetics segment. On a consolidated basis, it offset below-target performance in Flatcraft and PERFECT ONE US.

Unit: Million yen



Financial Results: Profit Analysis

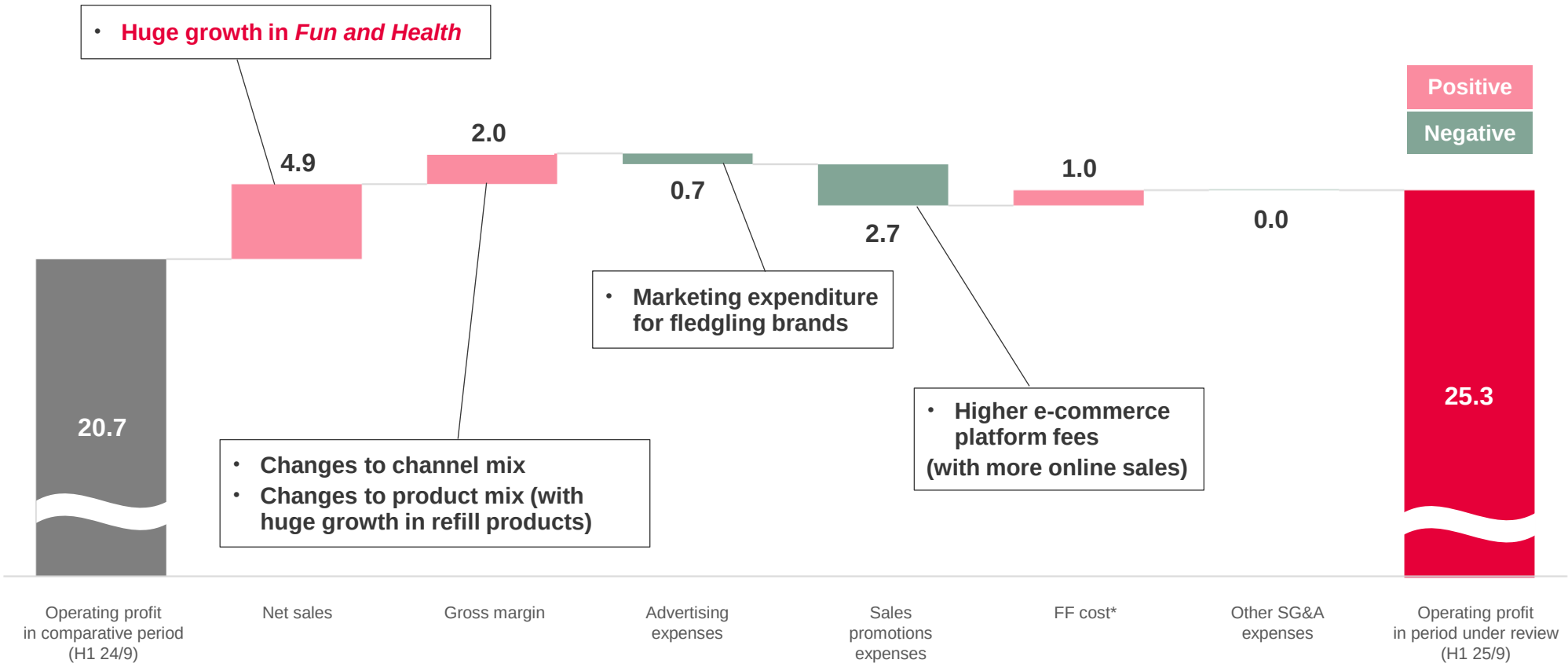
Operating profit growth: **+22.0% YoY**

Biggest positive contributor: Huge revenue growth from *Fun and Health*.

Other positive contributors: Better gross margins following sales growth in refill products, optimizations in operating costs.

Growth partially offset by: Aggressive marketing expenditure for fledgling brands, e-commerce platform fees.

Unit: 100 Million yen



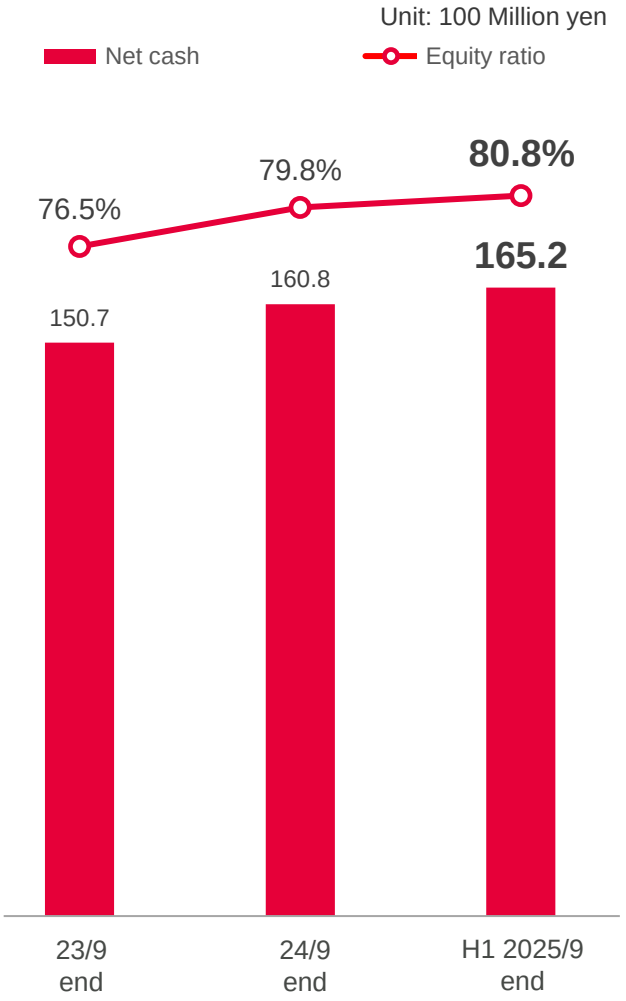
* In this case, FF cost refers specifically to shipping/delivery costs and agency fees.

Balance Sheet

We recognized impairment of goodwill in Flatcraft due to an inability to achieve the originally anticipated revenue levels

Unit: Million yen

Indicator	2023/9 end	2024/9 end	H1 2025/9 end	H1 2025/9 end vs. 2024/9 end
Current assets	21,254	23,062	22,544	-518
Cash and deposits	15,518	16,341	16,691	+350
Accounts receivable-trade	3,171	4,291	3,167	-1,123
Inventories	2,092	2,028	2,305	+277
Non-current assets	4,247	4,160	3,668	-491
Goodwill	818	712	—	-712
Total assets	25,501	27,222	26,213	-1,009
Liabilities	5,840	5,430	5,012	-417
Trade payables	946	548	583	+35
Interest-bearing debt	446	254	165	-88
Net assets	19,661	21,792	21,200	-592
Treasury shares	-647	-529	-1,387	-857
Total liabilities and net assets	25,501	27,222	26,213	-1,009



2. Business Highlights

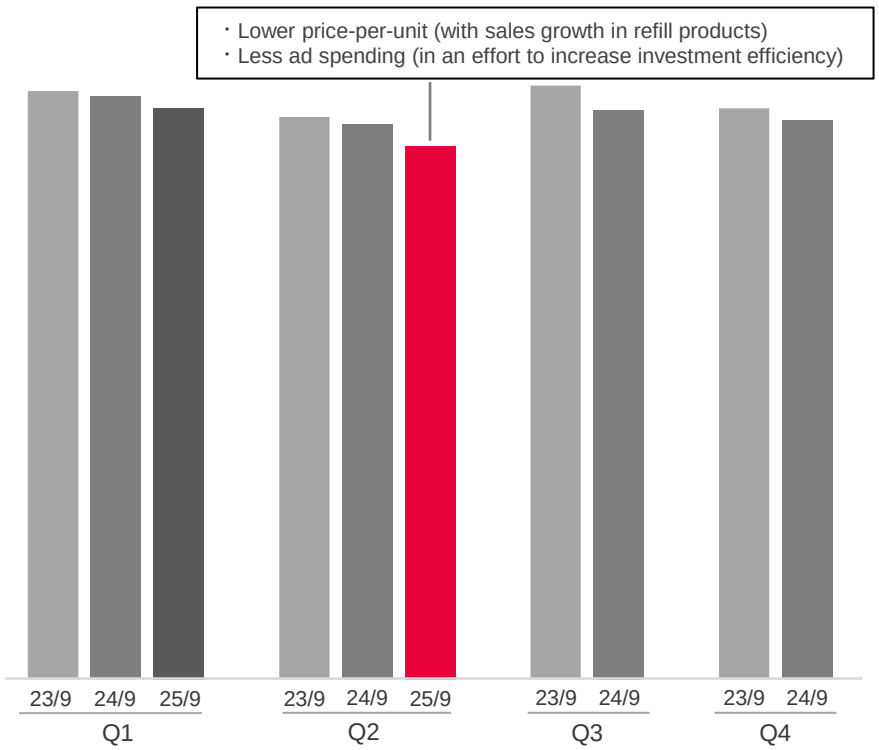
PERFECT ONE

Middle-aged consumers key to achieving turnaround in H2

Online sales grew after we worked on new products and initiatives targeting middle-aged consumers (40s and 50s).

In H2, we will launch new products for this demographic, delivering revenue growth on a full-year basis.

PERFECT ONE: Quarterly net sales



■ We will launch products for middle-aged consumers leveraging experience from marketing fledgling brands

Revamp



Medicated whitening Gel

March 15

Launch



SP UV Protect Powder Pink-beige

March 24

Trends + VOC + Unique value

Launch



Sparkling Serum

April 15

Launch

Coming Soon

A new product with a trendy compound

To be launched in June

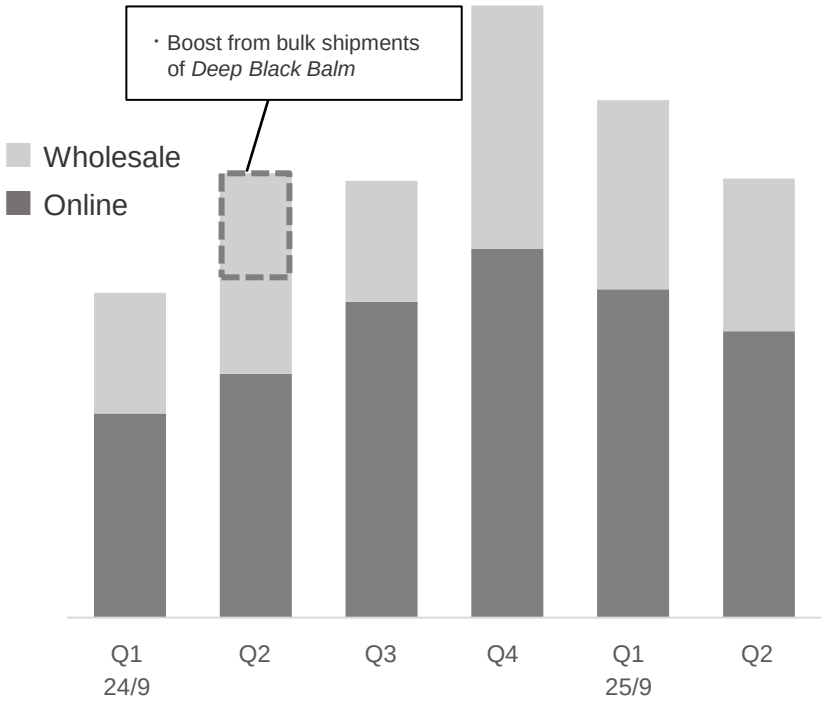
PERFECT ONE FOCUS

Decent growth in H1, new products (e.g. facial mask) to accelerate growth in H2

VC Charge Smooth Mask received favorable pre-release reviews among influencers and popular magazines (it was launched after the period under review, on April 1)

Online sales grew at +17.5% YoY. New product will increase growth in H2.

FOCUS: Quarterly net sales in Japan



■ Influencers and mags have praised VC Charge Smooth Mask for its formula and feel.





Won Anan's Mote Cosmetics Award (in skincare category) in spring 2025, boosting brand identity

■ **Trends + VOC + Unique value** New product will drive growth in H2

Launch

Smooth Cleansing Balm Deep Black GL+



To be launched in June 1, 2025

A limited-edition product for treating sun-damaged skin

Contains extra[1] Glutathione[2] (a trendy compound)

New products for a larger lineup

Launch Coming Soon

Launch Coming Soon

To be launched in September

1) More than the amount in Smooth Cleansing Perm Deep Black
2) An antioxidant

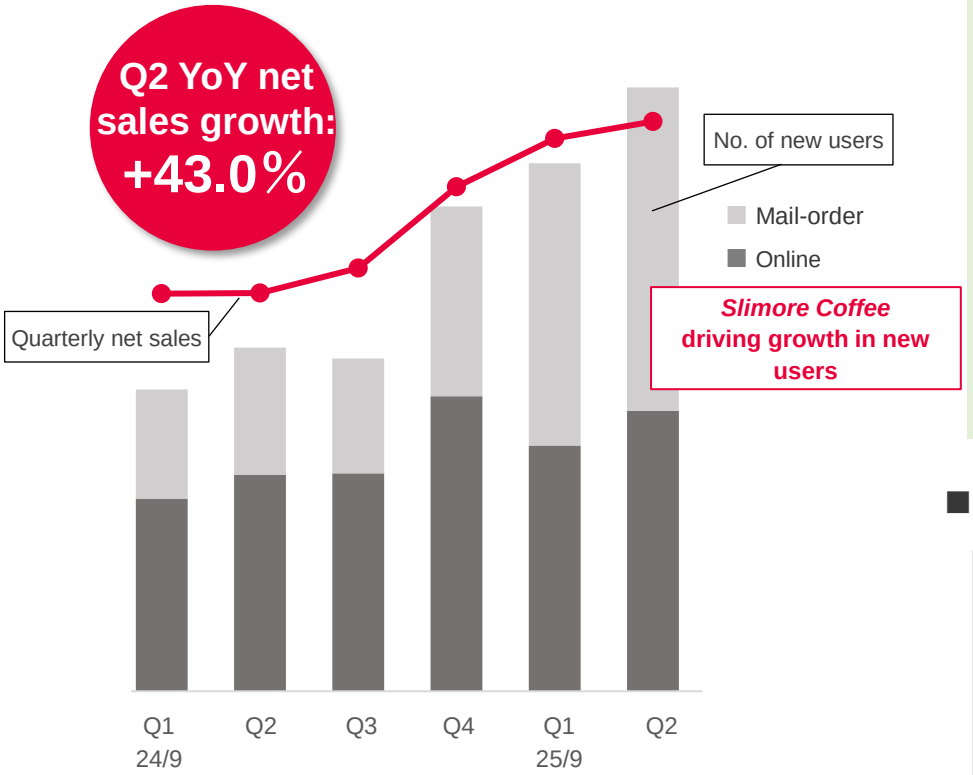
Fun and Health

+43.0% growth with high repeat rate in *W Health Green Juice* and brisk sales of *Slimore Coffee*

W Health Green Juice kept high repeat rate in subscriptions, while *Slimore Coffee* sales increased following investment in Q1.

Anticipating growth, we will launch a new product in H2 to follow up *Slimore Coffee*.

Fun and Health: Quarterly net sales, no. of new users



W Health Green Juice

Food with Health Claims



Solid LTV with high repeat rate
Stable revenue stream

Slimore Coffee

Food with Health Claims



Smarter (better targeted) marketing in each channel

■ **Trends + VOC + Unique value** Future actions

Launch

Coming Soon

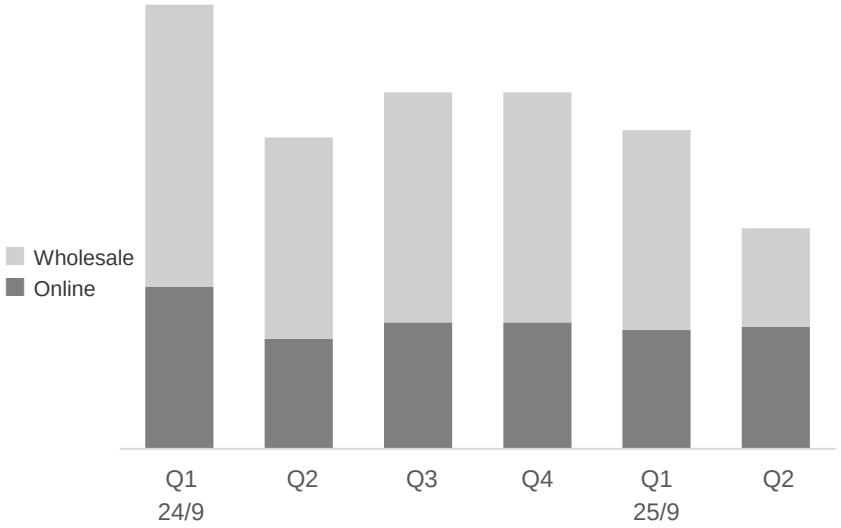
We accelerated product development to unlock further growth.

- In H2, we will launch an aging care product with a trendy compound.
- We continue expanding the lineup.

To be launched in August

Wellness Food
Developing e-commerce strategy to renew growth

***Wellness Food*: Quarterly net sales**



Now

- Ad spending has been temporarily reduced as a strategy to absorb higher costs (raw material prices and unfavorable exchange rates)
- Wholesale revenue down relative to demand spike in comparative period (the demand spike followed media coverage)

Future

- Wholesale: Expand retailer-client base, focusing on private brands
- Online: Develop e-commerce strategy to renew growth

Overseas sales
Area marketing sensitive to local needs

USA

- Expanded test area to gain more local knowledge
- Continued exhaustive test marketing (testing combinations of products, local attributes, demographics, and ad strategies) to identify best timing for investment
- Eyed possibility of applying knowledge in other territories







PERFECT ONE　PERFECT ONE FOCUS

Asia

- Taiwan: Continued online sales testing
- Worked on strategy for selling on cross-border e-commerce platforms



Online ad for Taiwan

Wholesale Channels

retailer-client base is growing, inbound visitors will be a key driver

Marketing strategies for wholesale channels

General marketing strategy:

Increase sales-per-store growth as part of efforts to grow retailer-client base

Store type	Strategy
Drugstores	Drugstore sales to lead wholesale sales Use customer database and ads in sales promotions No. of drugstore in our retailer-client base 24/9 end: 920 / 25/3 end: 1,900 / **Target for 25/9 end: 2,000**
Variety stores General merchandise stores	Use social media strategy to boost sell-through sales To drive growth, use customer database and ads in sales promotions
Duty-free shops (in airports and cities)	Target inbound visitors to build global brand recognition

- An increasing number of drugstores have become our retail partners.
- We are getting new and revamped products into variety and general-merchandise stores and reaching out to middle-aged consumers.



- Fukuoka Airport's duty-free zone reopened in late March, making it the third duty-free zone (along with those in Narita and New Chitose airports) to stock our products.
- Airport- and city-based duty-free stores offer synergistic potential for reaching inbound visitors and driving sales growth and global expansion.





Fukuoka Airport's duty-free store

New Business Line: Men's cosmetics

New brand to be launched in early summer with a targeted product strategy to grow share

Trends + VOC + Unique value

PERFECT ONE
FOR MEN



NEW To be launched on May 15

Medicated Wrinkle Essence

- An all-in-one serum offering easy skincare for men
- Covers all 3 of the major skincare concerns: wrinkles, spots[1)], roughness

TONOU



NEW To be launched on June 2

Tonou All-In-One Powder Lotion

- A powder within a lotion delivering quick skincare for busy men
- A lotion to reach for at the first sign of trouble (dry, oily, or dull skin[2)])

1) Inhibits melanin production and prevents spots and freckles 2) Caused by dryness

3. Annual Targets

Annual Targets

Net sales and profit targets remain unchanged, as H1 results were generally in line with the target (we keep an eye on overseas sales and marketing trends).

Net sales : *FOCUS* and new products are key to reaching Cosmetics target. Growth in *Fun and Health* is key to reaching Healthcare target.

Operating profit: Given that operating profit was better than expected, we will invest aggressively in marketing to increase sales.

Net profit: Target may be downgraded in view of the amortization of goodwill in Flatcraft.

Unit: Million yen

Indicator	2024/9 actual	2025/9		2025/9 target vs. 2024/9 actual change	2025/9 target vs. 2024/9 actual % change
		H1 actual	2025/9 target		
Net sales	40,043	20,282	42,000	+1,956	+4.9%
Cosmetics	34,288	16,838	35,500	+1,211	+3.5%
Healthcare	5,755	3,443	6,500	+744	+12.9%
Operating profit	4,176	2,533	4,500	+323	+7.7%
Operating profit margin	+10.4%	+12.5%	+10.7%	+0.3pt	—
Ordinary profit	4,103	2,540	4,520	+416	+10.2%
Net profit (attributable to owners of parent)	2,795	935	3,100	+304	+10.9%

Annual Targets: Assumptions

In H2, growth in cosmetics and *Fun and Health*'s online sales will offset slow sales in wholesale and overseas operations, enabling us to achieve the annual targets.

Marketing investments will drive growth in online sales, fledgling brands, new products, and the upcoming men's cosmetics brands.

We will continue cost optimization efforts to minimize operating expenses.

Unit: Million yen

Indicator	2024/9 actual	2025/9		2025/9 target vs. 2024/9 actual change	2025/9 target vs. 2024/9 actual % change
		H1 actual	2025/9 target		
Sales by channel					
Mail-order and online	36,361	18,457	37,060	+698	+1.9%
Wholesale	3,759	1,929	4,840	+1,080	+28.7%
Overseas	-77	-104	100	+177	—
Global online sales					
Overseas and domestic EC sales	8,337	4,576	9,310	+972	+11.7%
Marketing investment					
Advertising expenses	11,274	5,623	11,000	-274	-2.4%
Sales promotion expenses	5,269	2,838	5,650	+380	+7.2%
Operating expenses					
FF cost	4,195	2,001	4,400	+204	+4.9%
Call center costs	2,394	1,123	2,490	+95	+4.0%

APPENDIX

Position of the Company's Products in Each Market

All-in-one market

Share of domestic sales

NO.1[*1]

All-in-one market
2023 (Actual)

Market size 133.7 billion yen [*2]



Cushion foundation market

Share of domestic sales

NO.2[*3]

Cushion foundation market
2024 (Actual)

Market size 37.2 billion yen [*3]



Cleansing balm market

Share of domestic sales

NO.2[*4]

Cleansing balm market
2023 (Actual)

Market size 23.8 billion yen [*2]



Green juice with health claims market

Share of Green juice with health claims

NO.1[*5]

Green juice with health claims market
2023 (Actual)

Market size 9.8 billion yen [*5]

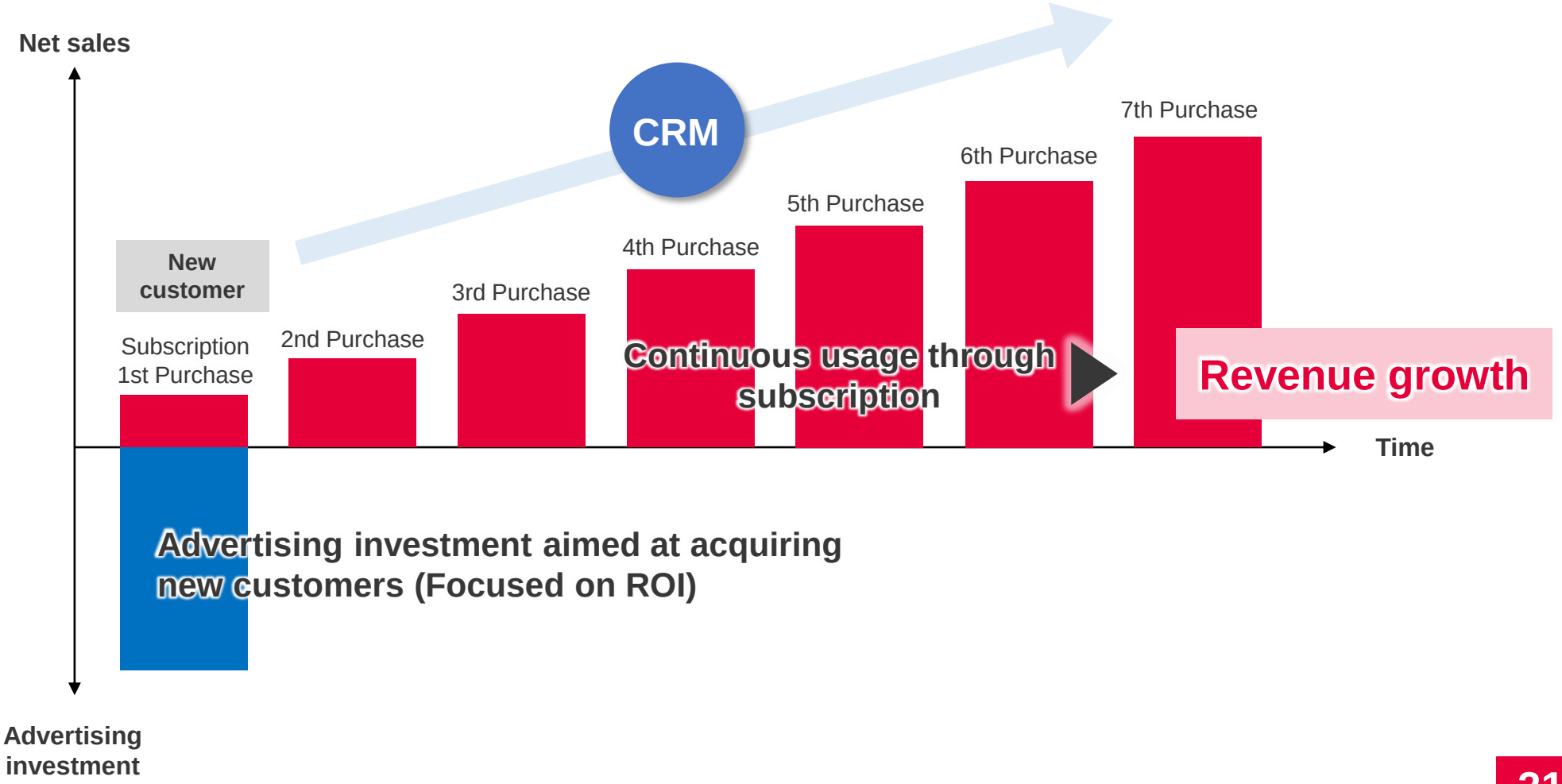


*1: Including PERFECT ONE FOCUS series: Fuji Keizai "Cosmetics Marketing Handbook 2024" (Moisture and all-in-one sections / 2023 results of manufacturer, brand share)
*2: Fuji Keizai "Cosmetics Marketing Handbook 2024" (All-in-one sections, Cushion foundation section, Cleansing balm section)
*3: Fuji Keizai "Cosmetics Marketing Handbook 2025" (Cushion foundation section / 2024 results of manufacturer, brand)
*4: Fuji Keizai "Cosmetics Marketing Handbook 2024" (Cleansing balm section / 2023 results of manufacturer, brand)
*5: Research by TPC Marketing Research (Shipment from manufacturer in 2023)

Our Strength: Recurring Revenue Model

Recurring Revenue Model through subscription for products

Build a foundation for sales growth based on the acquisition of new customers through **prioritizing advertising investment**.



Our Strength: Marketing Utilizing Customer Database

Utilize the database of approximately 6.70 million customers accumulated through continued acquisition of new customers.

Implement strategies to **maximize the asset value of the customer database**, with a focus on middle age and senior generations.

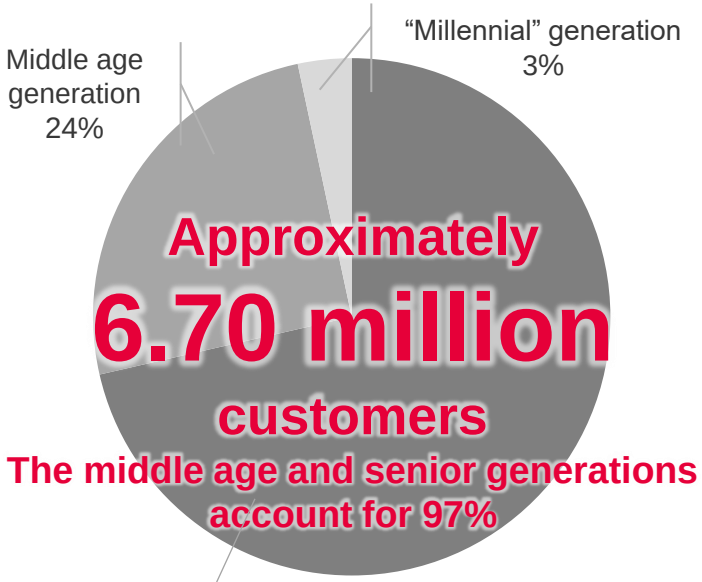
Customer Base Development

Continued acquisition of new customers

- Advertising Investment
- New Product Development

Customer Database

(as of the end of FYE Sept. 2023)



Marketing

Health & Beauty
Propose comprehensive care

Promote **up-selling** to high-performance products
Promote **cross-selling** of seasonal products, etc.

Increase purchase frequency through call center suggestions

Activation of database by promoting repurchases by dormant customers

Create synergies with new businesses

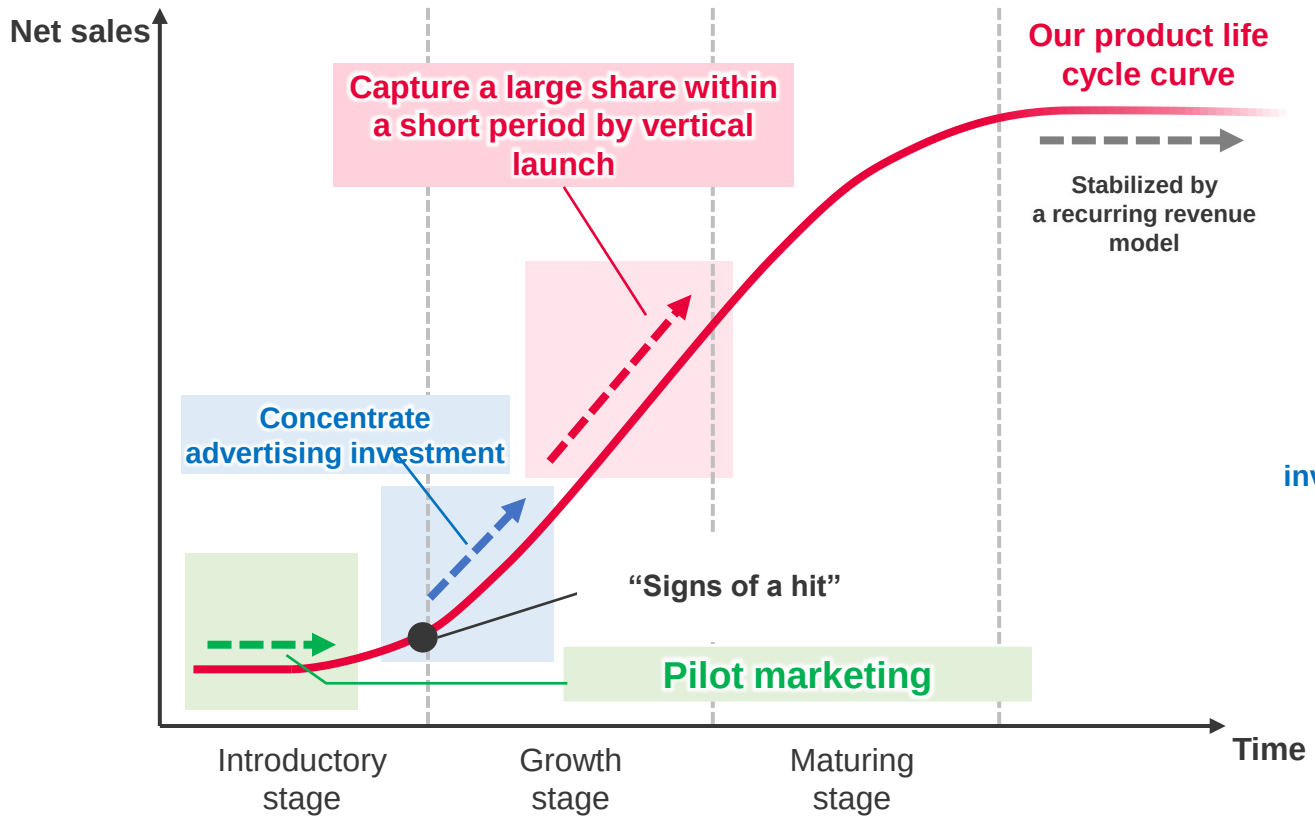
Senior generation = aged 60s and over; Middle age generation = aged 40s and 50s; "Millennial" generation = aged 30s and under

Our Strength: “Selling Power” of Mail Order Channels

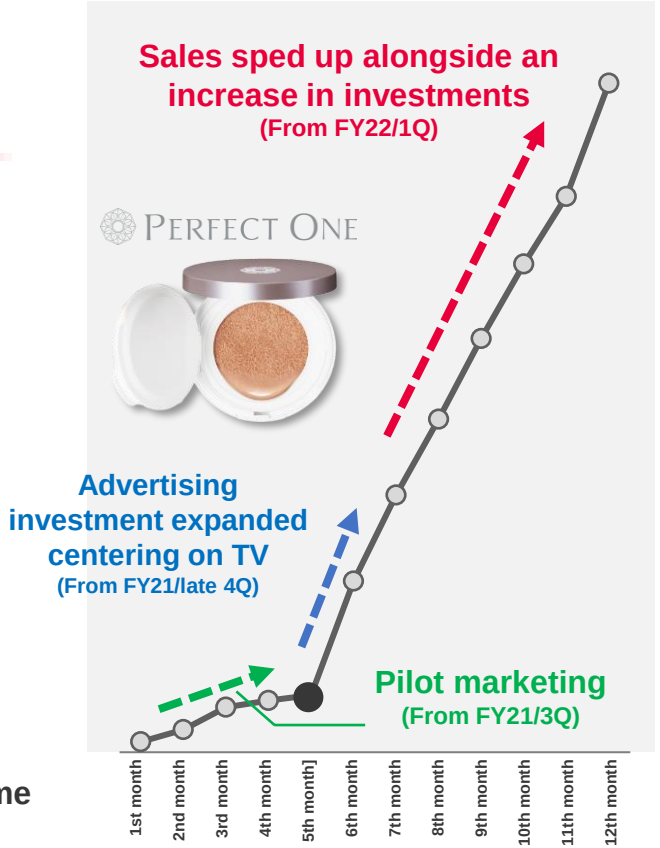
Develop new products swiftly, and during the introductory stage**, run the PDCA cycle of** pilot marketing **at high speed.**

Capture a large market share in one breath within a short period before competition intensifies **by concentrating advertising investment once a sign of a hit product appears.**

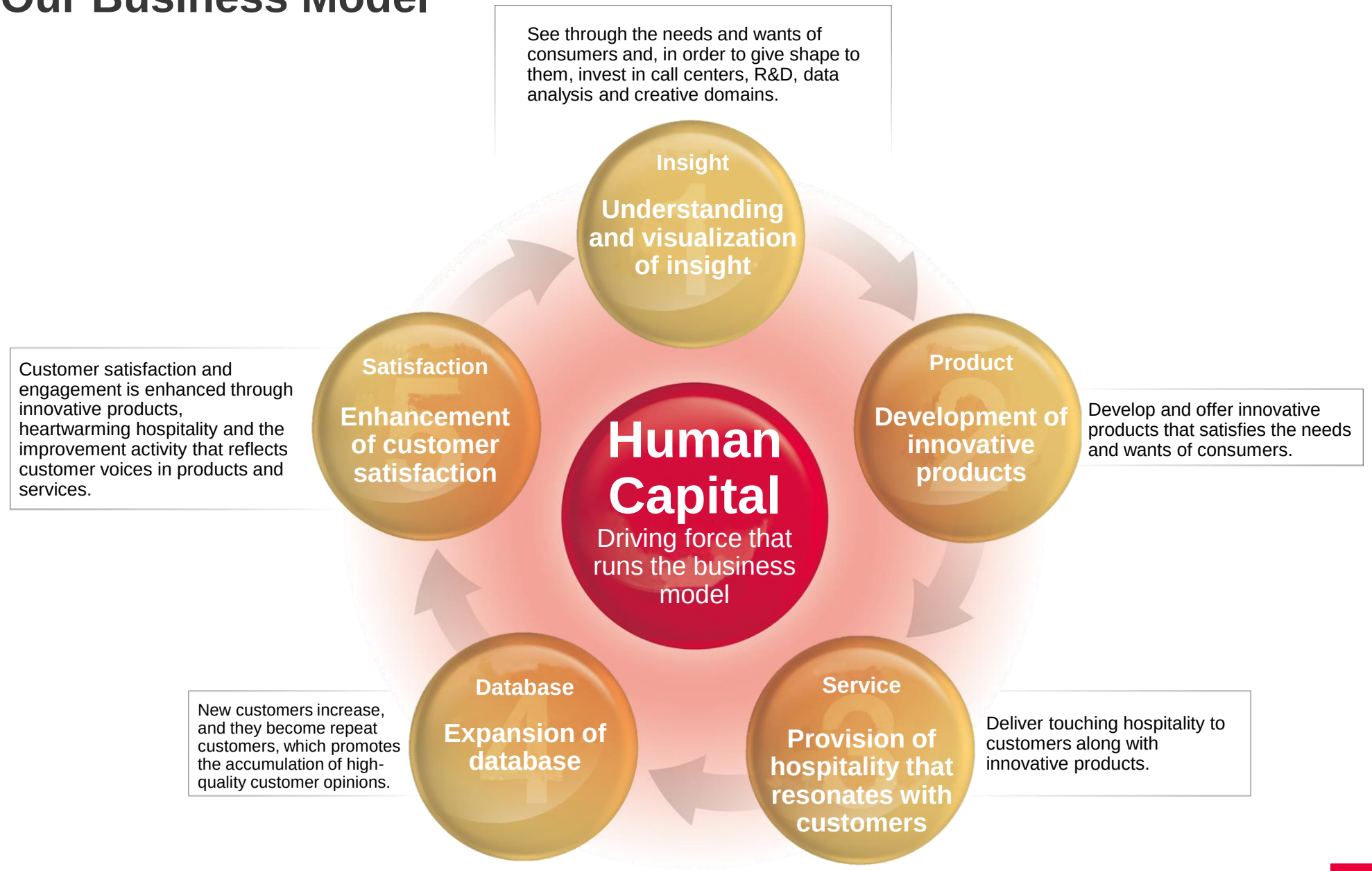
Product life cycle management of our mail order channels



[Reference]: Trend in cumulative sales of Cushion Foundation



Our Business Model



Company Overview

Company name	Shinnihonseiyaku Co., Ltd.
Representative	Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer
Established	March 1992
Head office	1-4-7 Otemon, Chuo-ku, Fukuoka City, Fukuoka Prefecture
Share capital	4,158 million yen [as of March 31, 2025]
Executives	Takahiro Goto, President & Representative Director of the Board and Chief Executive Officer Mitsuyoshi Fukuhara, Senior Managing Director of the Board and Chief Operating Officer Sachiyo Yasuda, Outside Director Keiichi Zenmyo, Outside Director (Audit and Supervisory Committee Member (full-time)) Takashi Tanabe, Outside Director (Audit and Supervisory Committee Member) Yuji Nakanishi, Outside Director (Audit and Supervisory Committee Member)
Business profile	Planning, mail order, and wholesale of cosmetics, health foods, and pharmaceuticals.
Bases	Fukuoka (head office), Tokyo Office, Yoshizuka Office, Logistics Center, Itoshima Call Center
Group companies	Flatcraft, Inc., PERFECT ONE US Co., Ltd.
Net sales	40.04 billion yen [FYE Sept. 2024]
Total assets	26.21 billion yen [as of March 31, 2025]

PURPOSE

Beyond innovation, for a beautiful smile!

MISSION

Achieving the Greatest Possible Satisfaction and Trust from Our Customers
Making Our Employees Happy and Giving Them Dreams for the Future
As a Company That Contributes to Society,
We Aim to Expand Our Efforts Far and Wide without Limitation

VALUE

creating inspiration

CREDO

We will:
Place importance on greetings, smiles, and altruism.
Thoroughly implement listening, empathy, and gratitude.
Act in a challenge, change, and growth-oriented manner.

History

Date	Overview
March 1992	Founded Shinnihonliving Co., Ltd. (currently Shinnihonseiyaku Co., Ltd.) as a company that planned and sold daily essentials in Higashi-Ori, Onojo City, Fukuoka Prefecture (share capital of 10 million yen).
July 1994	Started sales of health foods by mail order.
June 1996	Relocated the head office to Otogana-Higashi, Onojo City, Fukuoka Prefecture.
December 2000	Commenced sales of basic cosmetics by mail order.
April 2002	Renamed Shinnihonliving Co., Ltd. to Shinnihonseiyaku Co., Ltd.
March 2003	Opened a logistics center in Yoshizuka, Hakata-ku, Fukuoka City, Fukuoka Prefecture.
April	Relocated the head office to Yoshizuka, Hakata-ku, Fukuoka City, Fukuoka Prefecture.
May 2005	Started sales of cosmetics brand "RAffINE series."
May 2006	Relocated the head office to Akasaka, Chuo-ku, Fukuoka City, Fukuoka Prefecture.
May	Launched RAffINE Perfect One.
October	Established Iwakuni-Hongo Research Institute as the base for cultivation and research of medical plants.*1
November	Started sales of pharmaceuticals by mail order.
March 2010	Opened its first direct store in Fukuoka PARCO shopping mall.
July	Opened a Tokyo sales office in Uchisaiwaicho, Chiyoda-ku, Tokyo (currently Tokyo Office).
April 2012	Started wholesale of "RAffINE series."
October 2013	Relocated the head office to Otemon, Chuo-ku, Fukuoka City, Fukuoka Prefecture.
April 2014	Changed the cosmetics brand name to "PERFECT ONE."
December 2016	Started sales overseas by mail order (Taiwanese market).
March	PERFECT ONE All-in-One Gel series took the No.1 spot*2 in domestic sales* in the all-in-one market.
June 2019	Listed on Tokyo Stock Exchange Mothers.
January 2020	Relocated Tokyo Office to Marunouchi Building in Chiyoda-ku, Tokyo.
December 2020	Changed listing market to the First Section of the Tokyo Stock Exchange.
June 2021	Acquired shares of Flatcraft, Inc. and made it a consolidated subsidiary.
April 2022	Moved from the First Section of the Tokyo Stock Exchange to Prime Market.
July 2023	Established PERFECT ONE US Co., Ltd. in the United States.
April 2024	Opened Itoshima Call Center in Itoshima City, Fukuoka Prefecture.

*1: The institute was integrated into Yoshizuka Office (R&D Center) in June 2020.
*2: Fuji Keizai “Cosmetics Marketing Handbook 2017” (actual manufacturer and brand market shares in the moisture section and the all-in-one section in 2016)

Financial Highlights

Financial closing month & year		September 2021 (consolidated)*	September 2022 (consolidated)	September 2023 (consolidated)	September 2024 (consolidated)	**1H of FYE September 2025 (consolidated)**
Net sales	Million yen	33,899	36,107	37,653	40,043	**20,282**
Ordinary profit	Million yen	3,415	3,487	3,721	4,103	**2,540**
Profit	Million yen	2,323	2,357	2,394	2,795	**935**
Share capital	Million yen	4,158	4,158	4,158	4,158	**4,158**
Total number of shares issued	Shares	21,855,200	21,855,200	21,855,200	21,855,200	**21,855,200**
Net assets	Million yen	16,180	17,918	19,661	21,792	**21,200**
Total assets	Million yen	23,240	23,857	25,501	27,222	**26,213**
Equity ratio	%	68.8	74.4	76.5	79.8	**80.8**
Return on equity	%	14.5	14.0	12.9	13.6	**—**
Dividend payout ratio	%	30.2	30.0	29.6	34.7	**—**
Cash flows from operating activities	Million yen	2,071	2,287	3,468	2,097	**—**
Cash flows from investing activities	Million yen	-1,359	-496	-208	-382	**—**
Cash flows from financing activities	Million yen	672	-1,093	-2,101	-902	**—**
Cash and cash equivalents at the end of the period	Million yen	13,652	14,351	15,518	16,341	**16,691**
Number of employees (excluding temporary employees and including seconded employees)	People	309	302	307	316	**—**

Net assets per share	Yen	747.34	826.51	906.72	1,006.66	**—**
Basic earnings per share	Yen	107.72	109.91	111.37	129.69	**—**
Dividend per share	Yen	32.50	33.00	33.00	45.00	**—**

*Results used are ones after revision as a result of finalizing provisional accounting treatment related to the business combination with Flatcraft, Inc.

Disclaimer concerning the proper use of forecasts of business results

The content presented in this material is based on multiple assumptions and is not intended to promise or guarantee the realization of future planned numbers or measures.

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We will reply to you as soon as we can.

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